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TWM Consolidated

NT\$bn	4Q24	YoY	FY24	YoY
Revenues	56.15	5%	199.37	9%
Operating Income	5.47	22%	20.25	15%
Non-op. Income (Expenses)	(0.50)	nm	(0.72)	880%
Pre-tax Income	4.97	1%	19.53	12%
(Income Tax)	(0.89)	27%	(3.74)	19%
(Minority Interest)	(0.63)	-2%	(1.98)	-4%
Net Income	3.45	-4%	13.82	13%
EPS (NT\$)	1.14	-9%	4.57	6%

Highlights of Operating Results

4Q24

Consolidated revenue and EBITDA hit record levels, posting 5% and 15% YoY growth respectively, thanks to the merger with T Star and solid telecom performance. Operating income reached an 11-year high, with the growth rate accelerating to 22% YoY, on the back of the aforementioned rental expense savings from network consolidation.

FY24

EBIT contribution from T Star, coupled with our relentless efforts to upsell existing mobile users, drove operating income to an 11-year high. This helped offset higher financing expenses at the non-operating level and EPS dilution from the issuance of new shares to T Star shareholders. As a result, net income and EPS increased by 13% and 6% YoY, respectively. Although cash capex peaked in 2024, our full-year FCF reached NT\$19.74bn, marking a 20% YoY growth and a FCF yield of 5.7%.

2025 Guidance

Consolidated revenue: up 8%~10% YoY
Telecom related revenues: up 5%~7% YoY
Consolidated operating profit: up 7%~9% YoY
Group capex: NT\$8.58bn
Telecom: NT\$6.87bn
Cable TV: NT\$0.93bn
momo & others: NT\$0.78bn

Please refer to material information announcement for full details.

2024 Earnings Distribution

On February 27, Taiwan Mobile's Board approved the proposal to distribute NT\$13.6bn in cash dividends, translating to c.4% yield to shareholders. Dividend per share increased to NT\$4.5 on 3.025bn shares, excluding treasury shares held by 100%-owned subsidiaries.

Key Message

Taiwan Mobile delivered a record-breaking 2024, achieving all-time highs in consolidated revenues and EBITDA, along with robust growth across all key financial metrics. This success was fueled by our merger with T Star, sustained organic expansion, and our Telco+Tech strategy. Full-year free cash flow increased by 20%, demonstrating our strong financial foundation and commitment to maximizing shareholder returns. Customers are also reaping the benefits of significantly enhanced network quality, driven by a 67% increase in our 5G spectrum holdings following the merger. Looking forward to 2025, we are confident in achieving our guidance by focusing on three key drivers:

Unlocking Merger Synergies: Continue to drive cost savings through network integration and operational efficiencies, while capitalizing on cross-selling and upselling opportunities to further boost profitability.

Strengthening Our Core: Accelerate ARPU growth and minimize churn through Telco+Tech strategies, unique bundles and superior network quality.

Scaling Enterprise & SMB: Leverage our cutting-edge AI capabilities and strategic partnerships, including Systex, to capture growing demand for our solutions across private and public sectors.

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I. Revenue Analysis

Table 1. Key Operational Data

Residual Value (NT\$bn)	4Q24	QoQ	YoY	2024	YoY
Mobile Service Revenue	16.35	0%	16%	64.64	23%
Postpaid ARPU (NT\$)	619	0%	-5%	613	-8%
09x Postpaid ARPU (NT\$)	669	1%	-4%	661	-6%
Blended ARPU (NT\$)	543	1%	-2%	536	-5%

Revenue (NT\$bn)	4Q24	QoQ	YoY	2024	YoY
Telecom	22.71	8%	10%	84.85	19%
Service	15.34	0%	13%	60.95	21%
Device Sales	7.36	30%	4%	23.91	13%
momo	33.48	31%	2%	112.56	3%
CATV revenue	1.47	-1%	-7%	5.89	-6%
Pay-TV	0.73	-2%	-5%	2.97	-4%
Broadband ¹	0.60	1%	15%	2.35	15%
Content & channel leasing	0.13	-10%	-51%	0.58	-49%
Others²	0.17	6%	8%	0.64	5%

1. CATV revenue includes broadband costs borne by TWM for its Double Play customers which is eliminated in consolidated revenue.

2. Other revenue primarily consists of operating revenue from our 49.9%-held Taipei New Horizon Co., Ltd., which became a consolidated entity on Feb 21, 2014.

	4Q24	3Q24	4Q23	QoQ	YoY
Mobile Subscribers (K)	10,006	10,048	10,132	0%	-1%
- Postpaid	8,470	8,482	8,420	0%	1%
Monthly Churn	1.5%	1.6%	1.9%		
-Postpaid	0.7%	0.8%	1.0%		
MOU (bn)	0.75	0.79	0.70	-5%	8%
Pay-TV Subs (K)	489	493	507	-1%	-4%
Cable Broadband Subs (K) ¹	316	314	305	1%	4%
DTV Subs (K)	294	294	297	0%	-1%

CATV ARPU (NT\$)	4Q24	QoQ	YoY	2024	YoY
Pay-TV	497	-1%	-2%	499	0%
Broadband	635	0%	11%	628	11%
Blended ²	906	1%	7%	892	8%

1. Cable broadband customers signed via TWM Double Play bundles are not included.

Telecom

In 4Q24, mobile service revenue rose by 16% YoY, driven by revenue contribution from T Star (merged on Dec 1, 2023) and an ARPU increase of about 4% YoY in TWM's existing smartphone postpaid users. On a blended basis (including the dilution from T Star users), ARPU has seen sequential growth for 3 consecutive quarters. It's noteworthy that monthly ARPU has been demonstrating a YoY growth since December 2024.

5G penetration in our smartphone postpaid user base reached 41% in 4Q24, 5ppts higher than a year ago, as we continued to promote our unique bundles. For contract renewals, we saw a steady 8% overall uplift in monthly tariffs, with a 48% boost in 4G to 5G renewals. As a result, 5G's contribution to mobile service revenue further rose to 64% in the quarter.

For the full year, mobile service revenue grew 23% to a record high. In addition to contributions from T Star, gaming and roaming revenues were robust, with about 20% YoY growth. Postpaid users' monthly churn rate remained low, reflecting a benign pricing environment post industry consolidation.

On the enterprise side, services related to IoT, cloud and cyber security delivered solid growth in 2024.

momo

To mitigate the tepid demand for online shopping compared to services and leisure activities, momo expanded into third-party (3P) and retail media network (RMN) services in 2024. This strategic move resulted in an 11% YoY increase in active users in 4Q24 and a healthy YoY growth in gross merchandise value (GMV).

Cable TV

Broadband momentum remained robust with double-digit YoY revenue growth. Including Double Play users, broadband subs on speeds of 300Mbps or higher surged by 37% YoY. The YoY decline in 4Q24 and FY24 CATV revenue was primarily due to content reduction related to Disney's exit.

II. EBITDA Analysis

Table 2. EBITDA Breakdown

NT\$bn	4Q24	QoQ	YoY	2024	YoY
EBITDA	10.82	3%	15%	42.52	19%
- Telecom	8.03	-5%	16%	32.97	23%
- momo	1.78	54%	4%	5.65	1%
- CATV	0.79	0%	9%	3.16	6%

NT\$bn	4Q24	QoQ	YoY	2024	YoY
D&A	5.36	0%	8%	22.27	22%
- Telecom	4.68	-1%	6%	19.72	23%
- momo	0.34	2%	3%	1.34	11%
- CATV	0.21	3%	8%	0.82	5%

NT\$bn	4Q24	QoQ	YoY	2024	YoY
EBIT	5.47	6%	22%	20.25	15%
- Telecom	3.35	-9%	35%	13.25	24%
- momo	1.44	75%	4%	4.30	-2%
- CATV	0.58	-1%	9%	2.33	7%

Table 3. Non-operating Items

NT\$bn	4Q24	QoQ	YoY	2024	YoY
Non-Operating Revenue (Expense)	(0.50)	nm	nm	(0.72)	880%
- Net Interest Expense ¹	(0.30)	-6%	21%	(1.15)	44%
- Write-off Loss	(0.03)	-23%	-53%	(0.27)	95%
- Other Revenue (Expense) ¹	(0.17)	nm	nm	0.70	-19%

1. A lawsuit-related one-off interest expense accrued in 4Q24 was classified under other expenses rather than interest expense, to reflect its non-recurring and accrual nature.

EBITDA Analysis

Underpinned by mobile plan upgrades, a larger scale and merger synergies from network integration, 4Q24 telecom EBITDA and telecom EBIT grew by 16% and 35% YoY respectively.

momo's EBITDA rose YoY in 4Q24 thanks to stable 1P take rates and expanding revenue from new businesses such as 3P (mo-shop+) and RMN (momoAds).

Growing broadband subscriber number, good traction in our bundles and an adjustment in content strategy underscored the YoY growth in CATV EBITDA.

D&A Analysis

The inclusion of T Star's PP&E, spectrum holdings and site rentals led to a YoY hike in telecom D&A in FY24. With the completion of base station consolidation, we have been benefiting from sequential declines in rental expenses. Under IFRS 16, rental expense savings are primarily reflected in lower depreciation expenses.

momo's D&A grew QoQ in 4Q24 as the Southern Distribution Center came online in the quarter. The increase for the full year also reflects its warehouse additions.

Non-Operating Item Analysis

The YoY and QoQ changes in 4Q24 non-operating revenue were primarily due to one-off gains recognized in their previous corresponding periods. For FY24, the rise in net interest expenses was attributable to Taiwan central bank's interest rate hikes, despite we managed to reduce our gross debt.

III. Income Statement Analysis

Table 4. 4Q24 Consolidated Results

NT\$bn	4Q24	QoQ	YoY
Revenue	56.15	19%	5%
Cash Cost & Expense	(45.33)	24%	3%
Operating Income	5.47	6%	22%
Non-op. Income (Expense)	(0.50)	nm	nm
Pre-tax Income	4.97	-12%	1%
Net Income	3.45	-17%	-4%
EPS (NT\$)	1.14	-17%	-9%
EBITDA	10.82	3%	15%

Table 5. 2024 Consolidated Results

NT\$bn	2024	2023	YoY
Revenue	199.37	183.35	9%
Cash Cost & Expense	(156.85)	(147.56)	6%
Operating Income	20.25	17.54	15%
Non-op. Income (Expense)	(0.72)	(0.07)	880%
Pre-tax Income	19.53	17.47	12%
Net Income	13.82	12.27	13%
EPS (NT\$)	4.57	4.33	6%
EBITDA	42.52	35.79	19%

Income Statement Analysis

4Q24

Consolidated revenue and EBITDA hit record levels, posting 5% and 15% YoY growth respectively, thanks to the merger with T Star and solid telecom performance. Operating income reached an 11-year high, with the growth rate accelerating to 22% YoY, on the back of the aforementioned rental expense savings from network consolidation. Excluding the one-off disposal gain booked in 4Q23, net income would have increased by 20% YoY.

2024

The EBIT contribution from the acquisition of T Star and our relentless efforts in upgrading existing mobile user rate plans contributed equally to total annual EBIT growth and sent our operating income to an 11-year high. This helped offset the higher financing expenses at the non-operating level and EPS dilution from new shares issuance to T Star shareholders. As a result, net income and EPS rose by 13% and 6% YoY respectively in 2024.

IV. Cash Flow Analysis

Table 6. Cash Flow

NT\$bn	2024	2023	4Q24	4Q23
Operating	36.05	29.06	8.89	7.69
Pre-tax Income	19.53	17.47	4.97	4.93
Non-cash Add-backs	24.63	20.01	6.04	5.55
--Depreciation ¹	10.40	8.88	2.61	2.36
--Amortization	6.67	4.92	1.69	1.34
--Others ¹	7.57	6.21	1.74	1.85
Changes in Working Capital & Income Taxes	(7.95)	(7.84)	(2.28)	(2.07)
Others	(0.17)	(0.58)	0.16	(0.72)
Investing	(14.90)	(7.07)	(2.26)	0.51
Capex ²	(11.05)	(8.10)	(1.85)	(1.43)
Divestment (Acquisition)	(4.06)	(0.89)	0.22	(0.62)
Other Financial Assets (Increase)	(0.91)	(0.15)	(0.72)	(0.10)
Refundable Deposits (Increase)	0.08	0.11	0.02	0.07
Others	1.05	1.96	0.07	2.59
Financing	(22.45)	(23.67)	(4.16)	(6.14)
Short-term Borrowings	(6.94)	(12.81)	(2.08)	(12.38)
Proceeds from Issuance of Bonds	2.00	6.49	0.00	0.00
Long-term Bank Loan	4.14	7.93	(0.64)	7.62
Repayment of The Principal Portion of Lease Liabilities ³	(5.10)	(4.41)	(1.13)	(1.21)
Dividends Payments	(15.02)	(13.97)	0.00	0.00
Repayments of Bonds Payable	0.00	(6.00)	0.00	0.00
Interest (Payment) & Others	(1.52)	(0.91)	(0.31)	(0.17)
Net Cash Position Chg.	(1.30)	(1.69)	2.47	2.05

1. Depreciation of right-of-use assets shown separately under "Others" instead of "Depreciation" in this table.

2. Inclusive of prepayments for equipment, the acquisition of computer software & other intangible assets. Cash capex is net of government subsidies.

3. An operating cash outflow item prior to 2019.

Table 7. Capex & FCF

NT\$bn	2024	2023	4Q24	4Q23
Cash Capex¹	11.05	8.10	1.85	1.43
- Mobile	7.22	4.75	0.84	0.38
- Fixed-line	1.21	1.33	0.34	0.37
- Cable	0.80	0.64	0.18	0.16
- momo & others	1.83	1.39	0.49	0.52
% of Revenue	6%	4%	3%	3%
Free Cash Flow¹	19.74	16.43	5.88	5.01

1. Free cash flow was on a pre-IFRS 16 basis.

Cash Flow Analysis

4Q24

Operating cash flow in 4Q rose sequentially and YoY on the back of consolidated EBITDA expansions and stable working capital changes.

Investing cash outflow increased YoY in 4Q24, primarily driven by our investments in network consolidation with T Star to realize cost savings.

Financing cash outflow decreased YoY, mainly due to the repayment of some short-term and long-term borrowings.

2024

E-commerce and telecom businesses recorded significant increases in free cash flow, driven by two main factors: 1) momo's NT\$2.4bn YoY increase in operating cash flow and 2) the benefits of 5G migration and T Star acquisition, which contributed to strong growth in telecom EBITDA.

Net long-term investing cash outflow during 2024 was driven by a combination of new investments in Systex and Fubon Green Power, along with divestments in CAA.

Capex and Free Cash Flow Analysis

In 4Q24, cash capex tapered off, following the completion of network consolidation.

Although cash capex peaked in 2024, full-year FCF reached NT\$19.74bn, reflecting a 20% YoY growth and translating into a FCF yield of 5.7%.

V. Balance Sheet Analysis

Table 8. Balance Sheet

NT\$bn	4Q24	3Q24	4Q23
Total Assets	241.43	237.47	242.96
Current Assets	44.64	40.12	44.16
- Cash & Cash Equivalents	11.95	9.48	13.24
- Receivable & Contract Assets	20.09	19.63	20.28
- Inventories	8.83	7.80	8.19
- Short-term Investment	0.28	0.29	0.27
- Other Current Assets	3.50	2.92	2.17
Non-current Assets	196.78	197.35	198.81
- Long-term Investment	12.93	13.00	9.38
- Property and Equipment	53.92	53.23	52.86
- Right-of-use Assets	11.19	11.43	13.75
- Concession	66.39	67.84	72.24
- Other Non-current & Contract Assets	52.35	51.85	50.58
Liabilities	147.50	147.89	149.58
Current Liabilities	81.77	85.07	75.73
- ST Borrowings	41.70	46.78	35.05
- Accounts & Notes Payable	13.50	15.15	13.61
- Current Lease Liabilities	3.86	4.02	5.79
- Other Current Liabilities	22.72	19.12	21.28
Non-current Liabilities	65.73	62.82	73.85
- Long-term Borrowings	50.65	48.28	58.10
- Non-current Lease Liabilities	7.42	7.58	7.98
- Other Non-current Liabilities	7.65	6.95	7.77
Shareholders' Equity	93.93	89.58	93.38
-Paid-in Capital	37.23	37.23	37.23
-Capital Surplus	29.34	29.34	31.30
-Legal Reserve	34.72	34.72	33.50
-Treasury Shares	(29.72)	(29.72)	(29.72)
-Un-appropriated Earnings	0.00	0.00	0.00
-Non-controlling Interest	8.53	7.92	8.56
-Retained Earnings & Others ¹	13.83	10.10	12.51

1: Including YTD profits and other equity items

Table 9. Ratios

	4Q24	3Q24	4Q23
Current Ratio	55%	47%	58%
Interest Coverage (x)	14.9	17.5	18.0
Net Debt (Cash) to Equity¹	86%	96%	86%
Net Debt (Cash) to EBITDA (x)	1.89	2.01	2.23
ROE (annualized)²	15%	15%	15%
ROA (annualized)³	6%	6%	6%

1. The interest expense used in the calculation for coverage ratio excludes the aforementioned lawsuit-related one-off interest expenses. (refer to note 1 in Table 3)

2. ROE = Accumulated Net Income (Annualized) / Average Shareholders' Equity

3. ROA = Accumulated Net Income + Interest Expenses*(1-Tax Rate) (Annualized) / Average Total

Assets

The YoY decrease in cash balance at the end of 2024 was primarily due to momo's allocation of excess cash into money market instruments, which led to an increase in other current assets compared with the previous year.

Long-term investments saw a YoY increase, mainly driven by the NT\$4bn strategic investment in Systex during 3Q24.

The completion of network integration and the resulting termination of T Star base-station leases contributed to a decrease in right-of-use assets QoQ and YoY.

Long-term contract assets grew, reflecting the rise in mobile bundle plans extending over 30 months.

Liabilities & Shareholders' Equity

Our robust increase in free cash flow enabled us to reduce gross debt levels YoY and QoQ. For gross debts, the short-term portion increased YoY in 4Q24 as we plan to repay NT\$14bn in corporate bonds during the first half of 2025. To maintain the stability of our financial structure, we successfully completed convertible bond issuances in February 2025, raising NT\$10.02bn.

Ratio Analysis

Net Debt to EBITDA declined to 1.89x. The QoQ change was driven by lower net debt, while the YoY decrease was due to EBITDA growth.

VI. Guidance

2025 Guidance

- Consolidated revenue: up 8~10% YoY
 - ✓ Telecom-related revenues: up 5~7% YoY
- Consolidated operating profit: up 7~9% YoY
- Group capex: NT\$8.58bn
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VII. 2024 Earnings Distribution

On February 27, Taiwan Mobile's Board approved the proposal to distribute NT\$13.6bn in cash dividends, translating to c.4% yield to shareholders.

Dividend per share increased to NT\$4.5 on 3.025bn shares, excluding treasury shares held by 100%-owned subsidiaries.

VIII. Management Remarks

Key Message

Taiwan Mobile delivered a record-breaking 2024, achieving all-time highs in consolidated revenues and EBITDA, along with robust growth across all key financial metrics. This success was fueled by our merger with T Star, sustained organic expansion, and our Telco+Tech strategy. Full-year free cash flow increased by 20%, demonstrating our strong financial foundation and commitment to maximizing shareholder returns. Customers are also reaping the benefits of significantly enhanced network quality, driven by a 67% increase in our 5G spectrum holdings following the merger.

Looking forward to 2025, we are confident in achieving our guidance by focusing on three key drivers:

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Strengthening Our Core: Accelerate ARPU growth and minimize churn through Telco+Tech strategies, unique bundles and superior network quality.

Scaling Enterprise & SMB: Leverage our cutting-edge AI capabilities and strategic partnerships, including Systex, to capture growing demand for our solutions across private and public sectors.

Awards and ESG Recognitions

- TWM's IDC achieved 100% renewable energy in 2024, six years ahead of its RE100 commitment.
- Joined forces with Taijiang National Park and National Chung Hsing University for the "Taiwan Blue Carbon Mangrove Restoration Project," transforming fish farms into carbon sinks.
- Ranked top 3 in the telecommunication services industry in the "Dow Jones Sustainability Indices (DJSI) World Index" for 8 consecutive years and was listed in the "DJSI Emerging Markets Index" for 13 years in a row.
- Clinched the "Deal of the Year M&A Award" and the "Most Influential M&A Deal Award" at the "2024 Taiwan M&A and Private Equity Council (MAPECT) Taiwan M&A Awards," the only telecom operator to receive such honors
- Honored with the "Corporate Sustainability Award" and "CEO of the Year" at the "IDC Future Enterprise Awards" for the Taiwan market.
- Included in the "Sports Activist Awards" by the Ministry of Education for 8 consecutive years and won "Sponsorship Award - Gold Class" and "Sponsorship Award - Long-Term Sponsorship Award."
- Awarded the Gold Medal Award in the "Taiwan Best Customer Center Award" by the Taiwan Service Appraisal Association.